



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 12, 1996

Enron Oil & Gas Company
c/o Campbell, Carr, Berge & Sheridan, P.A.
Attention: William F. Carr
P.O. Box 2208
Santa Fe, NM 87504-2208

Division Administrative Order NSL-3696

Dear Mr. Carr:

Reference is made to your application on behalf of the operator, Enron Oil & Gas Company, dated April 23, 1996 and supplemented with a geologic structure map on June 20, 1996, for a non-standard oil well location for its proposed Greenback State Well No. 2 to be drilled 1980 feet from the North line and 1330 feet from the West line (Unit F) of Section 17, Township 24 South, Range 38 East, NMPM, East Fowler-Ellenburger Pool, Lea County, New Mexico. The SE/4 NW/4 of said Section 17 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the East Fowler-Ellenburger Pool than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe